

ARTICLE 10

SECTION 7

TRANSITIONAL MEDI-CAL (TMC) INCOME

1. GENERAL

The purpose of this section is to provide instructions for determining income eligibility to TMC. To remain eligible for TMC, the family income cannot exceed 185% of federal poverty level (FPL). Rules for determining income in TMC cases are different from regular Medi-Cal rules. The following regulations apply in TMC income determinations.

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2. INCOME REGULATIONS

A. When to Evaluate Income Eligibility

Workers will evaluate income at three times during the 24-month TMC period. Income will only be evaluated when Status Reports are returned. TMC Status Reports are due in the fourth month of Initial TMC, and the first and fourth months of Additional TMC. There is no QSR requirement for Second Year TMC.

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B. Evaluation Period

- 1) For First Year TMC beneficiaries, the three-month reporting period covered by the Status Report will be used to evaluate family income.
- 2) Current income changes reported by the beneficiary will not be used to anticipate income eligibility.
- 3) Income for the first three months of the Initial TMC period will only be used to determine income eligibility for the Additional TMC period. It does not affect eligibility to the second three months of Initial TMC.
- 4) Income for the last three months of the Initial TMC period or the first three months of the Additional TMC period will be used to determine income eligibility in the Additional TMC period.

C. Countable Income

Persons whose income will be considered in determining a family's monthly gross earnings include:

- 1) All family members living in the home who were members of the MFBU during the month the family became ineligible for CalWORKs or Section 1931(b)-Only; and
- 2) Any family member(s) who return(s) to the home and are eligible to TMC must have his/her income included.

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D. Computing Monthly Gross Earnings

For TMC, gross earned monthly income cannot exceed 185% of FPL.

- 1) Gross income includes any earned income, including the earned income of a child as well as the parent(s) and stepparent and that of family members who are not eligible for TMC and are receiving Medi-Cal under another program such as Section 1931(b), MN or MI. Sneede rules apply. MEM Proc. 5B-8
- 2) Earned income listed in MPG Article 10 Section 3 as exempt from consideration in regular Medi-Cal is NOT EXEMPT from consideration in TMC.
- 3) Do not include income of a person who is not receiving any Medi-Cal benefits and does not wish to be added to the TMC case such as an absent parent who returns home. This person is also not included in the family size.
- 4) Unearned income is NOT included in gross earned income for TMC.
- 5) Deductions allowed in TMC gross income computations are:
 - a) Health insurance premiums paid for by any family member, and
 - b) Actual out-of-pocket child care costs of the caretaker relative that are necessary for continued employment. Out-of-pocket expenses mean what is actually paid for childcare. Out of pocket expenses do not include childcare costs paid by someone else or childcare costs that are reimbursed, such as TCC.
 - c) No other deductions are allowed in TMC.
- 6) Gross earned income is determined by adding the three months of reported countable quarterly earnings less deductions, and then dividing this sum by three.
 - a) Fluctuating income is not treated differently, as is done in regular Medi-Cal.
 - b) Income is not apportioned over time as is done in regular Medi-Cal.
 - c) Reported changes in income are not used to anticipate future income levels.
- 7) MFBU size for determining 185% of FPL is the current family size even if some family members are not TMC eligible.
- 8) Self-employed persons are not allowed the 40% deduction from their total business revenue as may be allowed in Section 1931(b). MEM Proc. 5B-9

E. Discontinuance for Excess Income

- 1) For excess income reported during the first three months of Initial TMC, the case will be discontinued at the end of the sixth month of Initial TMC with adequate notice.

- 2) For excess income reported during the second three months of Initial TMC, the case will be discontinued at the end of the first month of Additional TMC with adequate notice.
- 3) For excess income reported during the first three months of Additional TMC, the case will be discontinued at the end of the fourth month of Additional TMC with adequate notice.